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DIARY NOTES

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DD/S

21 July 1958

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1. [REDACTED] telephoned to report a cryptographic violation which occurred over the weekend. It involved a short but sensitive message which, due to human failure, went out in the clear; the man responsible had been on duty for twelve hours. [REDACTED] is conducting a thorough investigation and will report later.

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2. General Cabell discussed with me the Bureau of the Budget report on "the cost of intelligence." He said he would recommend to the Director that this be discussed at an Intelligence Advisory Committee Meeting and that he felt it would be advisable to circulate the paper to the IAC members provided CIA's figures were excluded; in addition, he thought that any other agency should have the right to have their figures excluded. While he did not propose that we assume responsibility for developing these statistics he did feel that we might take the lead in developing criteria so that everybody would be using the same ground rules and thereby avoid the implied criticism in the present paper because of wide variations from year to year. (This is particularly applicable to the Department of Defense.) He proposed that Ed Saunders chair a committee of the IAC in order to develop this criteria. He will advise me further after the next IAC Meeting.

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3. At the Deputies' Meeting this morning the Director expressed surprise that our communications [REDACTED] were inadequate. I discussed this with General [REDACTED] who took immediate steps to provide a system which would permit [REDACTED] to communicate either with [REDACTED] or Washington. He is sending a combination Code Clerk-Radio Operator to [REDACTED] with the necessary equipment. The man should be in place within the next few days and in case of necessity can communicate with any other stations in the CIA network.

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4. [REDACTED] came to see me about their proposal to install shelf filing in the mockup at Riverside Stadium. I have referred this to the Office of Logistics for comment.

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5. I talked to [REDACTED] on the telephone and approved of his transfer to the FE Division.

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25X1A9a 6. I talked with [REDACTED] about his job and told him that I did not intend
25X1A9a to make any change in his assignment. I also said that while I did not object to his
25X1A9a dealing directly with me he should seek [REDACTED] approval in connection with
his future modus operandi.

25X1A9a 7. I had a general discussion with [REDACTED] as to what I expected of him
25X1A9a in his new job as my Special Planning Assistant. I emphasized that he must be a self-
25X1A9a starter and that his job was an Agency-wide function and not confined to the DD/P Area.
25X1A9a I also apprised him of my discussion with [REDACTED] concerning the possibility
of [REDACTED] not being responsible to the Special Planning Assistant and of my decision
that I would not accede to his request. I approved of [REDACTED] going on leave from 25
July through 5 August.

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25X1A9a 8. Gordon Stewart and I discussed the [REDACTED] cases with Lyman
25X1A9a Kirkpatrick who agreed that the amendments which we had made to the [REDACTED] case
25X1A9a appeared to be satisfactory. We also agreed that prior to taking final action in the se-
25X1A9a lection out of [REDACTED] the Inspector General should investigate the charges which
[REDACTED] has made against [REDACTED].

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25X1A9a 9. Agreed with [REDACTED] that we would move [REDACTED]
25X1A9a [REDACTED] to the NEA Division and [REDACTED] to the WH Division. This has been cleared
25X1A9a with the NEA Division by Vernon and with J. C. King of the WH Division by me. I was
frank with J. C. and told him that Paul was not as good a man as [REDACTED] and agreed
to move Paul at any time if he was not satisfied with him.

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25X1A9a 10. [REDACTED] advised me that [REDACTED] had been to see him about the
25X1A9a possibility of moving [REDACTED] from the SE Division. I instructed Ed Saunders
25X1A9a to give this serious consideration and said that I thought it had already been done. (Ed
25X1A9a reported to me on 24 July that he had offered [REDACTED] a chance to transfer to the SR Di-
25X1A9a vision, the Finance Division or the Budget Division and that he had tentatively declined
all three. In the course of Ed's conversation with [REDACTED] it appears that Ted had
suggested that [REDACTED] be given an administrative assignment. In view of this I called
Ted and told him that under no circumstances should he encourage [REDACTED] in this
direction because I had no intention of putting him in a general administrative assign-
ment in any capacity. The facts are that [REDACTED] wants a promotion and nothing else,
and I have agreed with Ed that he can leave him in the SE Division if he wants to.)

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advised her. In particular, I have advised her that there is no [REDACTED] hold on her husband and that she can rely on what Gordon tells her about his future.

Note: An extract of paragraph 2. was sent to the Comptroller on 28 July 1958. (See DD/S-58-2908)